

**DECLARATION OF ARACELI BAIKOUSHEV**

I, Araceli Baikoushev, hereby declare and state under penalty of perjury, the following:

1. I am employed as a Senior Auditor-Appraiser in the office of the Ventura County Assessor, and have been so employed from August 2006 to the present. This declaration is based upon my personal knowledge, as well as the books and records of the County. If called upon to testify in this action, I could and would testify competently to the matters set forth below.
2. The California State Board of Equalization (SBE) is a state agency whose duties include assuring uniformity in the administration of the California property tax system. It assures uniformity in part by promulgating rules regarding assessments and local assessment appeals board proceedings, which have the force and effect of law, and are therefore binding on local assessors, local assessment appeals boards, and state courts. These rules are posted on the SBE's web page at: <https://www.boe.ca.gov/proptaxes/prop-tax-rules.htm>.
3. There are several steps for property taxation in California: assessment, equalization, computation, and collection. The California Constitution establishes public offices to administer these steps and provide interrelated functions in the property tax system. The assessment and equalization functions contain numerous standards, procedures, and protections to ensure fair and uniform application of

local property tax assessments, and the computation and collection functions are mainly ministerial.

4. Assessments of business personal property assets begin with information provided by the taxpayer. Under Section 441 of the California Revenue and Taxation Code, each person owning taxable personal property having an aggregate cost of one hundred thousand dollars (\$100,000) or more for any assessment year is required to file a signed property statement with the assessor. This form is sent annually to the taxpayer who reports taxable assets owned at a particular location by type of property, year of acquisition, and acquisition cost. Upon receipt of a properly completed statement, the Assessor determines the applicable valuation factors to be applied based upon information disclosed by the taxpayer. These factors normally come from the SBE's Assessor's Handbook Section 581, for Equipment and Fixtures Index, Percent Good and Valuation Factors (January 2021), available here: <https://www.boe.ca.gov/proptaxes/pdf/ah58121.pdf>, or from a similar reference published by the California Assessor's Association. The total value is computed by applying the applicable factor by the cost of acquisition for each asset then enrolled for the assessment year. As a result, the appraiser determines the fair market value of the personal property as of the January 1 valuation date for that year. (See Cal. Code Regs., tit. 18, section 3.)

5. If a taxpayer disagrees with a tax assessment, the appropriate procedure would be to file an assessment appeal. Under California Revenue and Taxation Code § 1603, a reduction in the assessment roll cannot be made unless the taxpayer files a timely written petition with the assessment appeals board. The form of the written application is prescribed by the SBE. When the appeal is filed, the assessor's office will request a meeting with the taxpayer or its agent to discuss.

6. If the assessor's office and the taxpayer cannot settle the dispute, it is heard by the assessment appeals board. The California Constitution establishes assessment appeals boards or county boards of equalization in each county. These tribunals are mandated to hear and determine valuation disputes between assessors and taxpayers. All counties maintain such boards. These boards ensure that all real and personal property within the County are assessed fairly and according to applicable California law. Assessment appeals boards are governed by statutes and rules promulgated by the SBE that provide extensive due process.

7. If a taxpayer or the assessor disagrees with a decision by the assessment appeals board, either may petition a California Superior Court for review. Judicial review is based solely upon the administrative record of the assessment appeals board hearing, and review of the evidence is limited to determination of whether substantial evidence exists to support the board's determination; the court reviews

questions of law de novo. Superior courts do not determine property tax assessments, and if they overturn an assessment appeal board's determination the case is remanded back to the board for proceedings consistent with the court's decision.

8. In connection with this Declaration, I have examined the Assessor's records of Ventura County personal property taxes that form the basis of claims filed in this proceeding by the Ventura County Tax Collector. Assessor's records indicate that Bed Bath & Beyond of CA LLC did not file an assessment appeal by the due date of September 15, 2023 with the Ventura County Assessment Appeals Board.

9. California Revenue and Taxation Code section 441 requires each person/non-public entity owning taxable personal property having an aggregate cost of \$100,000 or more to annually file a business property statement with the assessor of each county where its property is located. On May 4, 2023, Bed Bath & Beyond of CA LLC submitted these statements to the Ventura County Assessor's Office, signed by its VP of Tax under penalty of perjury.

10. The Ventura County Assessor's Office received these business property statements and processed the costs furnished on the statement by the officer of the company. With the exception of older personal computers and LAN equipment that were added back that amounted to approximately \$85 in value, the Assessor's

Office based its tax assessment values on this information provided by Bed Bath  
& Beyond in its business property statements.

I declare under penalty of perjury of the laws of the United States of America  
that the foregoing is true and correct.

Dated: October 12, 2023

*A. Baikoushev*

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ARACELI BAIKOUSHEV

## **DECLARATION OF MARY BARNES**

I, Mary Barnes, hereby declare and state under penalty of perjury, the following:

1. I am currently employed in the office of the Ventura County Tax Collector ("Tax Collector"), and have been so employed from March 15, 1999, to the present. The Tax Collector is responsible for levying and collecting property taxes. My title is Deputy Tax Collector, and I am responsible for collecting property taxes and penalties where taxpayers have declared bankruptcy. This declaration is based upon my personal knowledge, as well as the books and records of the County. If called upon to testify in this action, I could and would testify competently to the matters set forth below.

2. Assessments of business personal property assets begin with information provided by the taxpayer. Under section 441 of the California Revenue and Taxation Code, each person owning taxable personal property having an aggregate cost of one hundred thousand dollars (\$100,000) or more for any assessment year is required to file a signed property statement with the Assessor. The form is sent annually to the taxpayer who reports taxable assets owned at a particular location by type of property, year of acquisition, and acquisition cost. Upon receipt of a properly completed statement, the Assessor determines the applicable valuation factors to be applied based upon information disclosed by the

taxpayer and applicable California law.

3. As set forth in California Revenue and Taxation Code sections 2192 and 2901, on January 1 of each calendar year (the “tax lien date”), business owners assume a tax liability for all assessed personal property located at their California businesses on this date, even though the exact amount of tax has not yet been determined. Thus, on January 1, 2023, Debtor Bed Bath & Beyond had a 2023 tax liability, or obligation, for the value of all taxable property located on its business properties within the County. The County Assessor’s office determines the value of all taxable property in the County based upon ownership of that property on January 1. A party with taxable business property is required to submit a Form 571-L business property statement declaring to the Assessor’s office the relevant information required for determination of that party’s tax liability for such property. The Assessor then determines the amount of tax liability. The tax bill is levied for the fiscal year, July 1 to June 30, based on ownership on January 1. At the beginning of the fiscal year, in early July, the Tax Collector then generates and mails out the corresponding tax bill(s) based on the Assessor’s assessments.

4. Debtor submitted 571-L business property statements for 2023 to the Assessor. This is a declaration of costs and other related property information as of 12:01 A.M. January 1, 2023. The Assessor determined the assessed values.

The Auditor-Controller calculated the property tax statements based on these values using the applicable fiscal year tax rates set by the State of California and the Revenue and Taxation Code state law. The Tax Collector mailed the bills and is responsible for collecting and posting payment.

5. The filing period to submit an Assessment Appeal Application for the January 1, 2023, Regular Assessment has closed. Thursday, September 15, 2023, was the deadline. The following statements are shown on the back of each

Unsecured Tax Bill:

ASSESSMENT: Annually, the County Assessor assesses all taxable property in the County, except State assessed property, to the persons owning, claiming, possessing or controlling it on the January 1 lien date. (§405). You have the right to an informal assessment review by contacting the Assessor's Office at 805-654-2181 or their website [assessor.countyofventura.org](http://assessor.countyofventura.org).

ASSESSMENT APPEALS: If you disagree with the assessment on the tax bill, you may file an Assessment Appeal Application with the Clerk of the Board starting July 2, 2023, through September 15, 2023. Information on filing an Assessment Appeal Application is available on the Clerk of the Board's webpage at [www.ventura.org/cob/aab](http://www.ventura.org/cob/aab), at the Clerk of the Board Office located at 800 S. Victoria Avenue, Ventura or by calling (805) 654-2251. It is important to know the Assessment Appeals Board or Hearing Officer cannot grant or deny exemptions.

6. Upon information and belief, Debtor did not file an appeal of its 2023 estimated tax liability with the AAB.

7. I filed the claims of the Ventura County Tax Collector in this



proceeding, and I have reviewed the files of the Ventura County Tax Collector in connection with those claims. Attached as **Exhibit A** is a true and correct copy of the Proof of Claim I submitted in this matter. Based on that examination, the Debtor owes prepetition property taxes to the Ventura County Tax Collector as follows:

A. Bed Bath & Beyond of CA LLC; Bed Bath & Beyond #821, Property Number 2007017-0001; located at 4040 East Main Street, Ventura CA 93003, total assessed value of \$305,000, 2023 tax assessment of \$3,145.77.

B. Bed Bath & Beyond of CA LLC; Bed Bath & Beyond #138, Property Number 2007017-0004; located at 121 South Westlake Blvd., Thousand Oaks CA 91362, total assessed value of \$542,300, 2023 tax assessment of \$5,674.08.

C. The total due for the 2023-24 fiscal tax year is \$8,819.85 plus interest under California State law.

D. The Tax Collector filed a Priority Proof of Claim in the amount of \$8,819.85 with the Claims Agent Kroll on September 21, 2023, in case Bed Bath & Beyond of California Limited

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Liability Company No. 23-13371 and was assigned Claim number  
17574.

I declare under penalty of perjury of the laws of the United States of America  
that the foregoing is true and correct.

Dated: October 12, 2023

  
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MARY BARNES